

**Internal Revenue Service****Number: 202551025****Release Date: 12/19/2025****Index Number: 9100.00-00, 9100.15-00,  
1361.00-00, 1361.05-00****Department of the Treasury****Washington, DC 20224****Third Party Communication: None****Date of Communication: Not Applicable****Person To Contact:****, ID No.****Telephone Number:****Refer Reply To:****CC:PT&E:B03****PLR-101587-25****Date:****July 25, 2025****Legend**X =Sub =State 1 =State 2 =Date 1 =Date 2 =Date 3 =

Dear :

This letter responds to a letter dated December 16, 2024, and subsequent correspondence, submitted on behalf of X by its authorized representatives, requesting relief under § 301.9100-3 of the Procedure and Administration regulations to make a late election under § 1361(b)(3) of the Internal Revenue Code (Code) to treat Sub as a qualified subchapter S subsidiary ("QSub").

According to the information submitted, X was organized on Date 1, under the laws of State 1, and elected to be treated as an S corporation effective Date 2. Sub was incorporated under the laws of State 2 on Date 3 and has been wholly owned by X since formation. X intended to elect to treat Sub as a QSub effective Date 3. However, due to inadvertence, X failed to file Form 8869, Qualified Subchapter S Subsidiary Election. X represents both it and Sub have filed tax returns and reported all tax items consistent with the tax treatment of Sub as a QSub for all relevant years since Date 3.

#### LAW AND ANALYSIS

Section 1361(b)(3)(A) generally provides that a QSub shall not be treated as a separate corporation and all assets, liabilities, and items of income, deduction, and credit of a QSub shall be treated as assets, liabilities, and such items (as the case may be) of the S corporation.

Section 1361(b)(3)(B) defines a QSub as a domestic corporation which is not an ineligible corporation, if 100 percent of the stock of the corporation is owned by an S corporation, and the S corporation elects to treat the corporation as a QSub.

Section 1.1361-3(a) prescribes the time and manner for making an election to be classified as a QSub.

Section 1.1361-3(a)(4) provides that an election may be effective up to two months and 15 days prior to the date the election is filed or not more than 12 months after the election is filed.

Section 1.1361-3(a)(6) provides that an extension of time to make a QSub election may be available under the procedures applicable under §§ 301.9100-1 and 301-9100-3.

Section 301.9100-1(c) provides that the Commissioner may grant a reasonable extension of time under the rules set forth in §§ 301.9100-2 and 301.9100-3 to make a regulatory election, or a statutory election (but no more than six months except in the case of a taxpayer who is abroad), under all subtitles of the Code except subtitles E, G, H, and I. Section 301.9100-1(b) provides that the term “regulatory election” includes an election whose due date is prescribed by a regulation published in the Federal Register or a revenue ruling, revenue procedure, notice, or announcement published in the Internal Revenue Bulletin..

Sections 301.9100-1 through 301.9100-3 provide the standards that the Commissioner will use to determine whether to grant an extension of time to make an election. Section 301.9100-2 provides automatic extensions of time for making certain elections. Section 301.9100-3 provides rules for requesting extensions of time for regulatory elections that do not meet the requirements of § 301.9100-2.

Under § 301.9100-3, a request for relief will be granted when the taxpayer provides the evidence (including affidavits described in § 301.9100-3(e)) to establish to the satisfaction of the Commissioner that (1) the taxpayer acted reasonably and in good faith, and (2) the grant of relief will not prejudice the interests of the Government.

### CONCLUSION

Based solely upon the information submitted and the representations made, we conclude that X has satisfied the requirements of §§ 301.9100-1 and 301.9100-3 with respect to the QSub election for Sub. As a result, X is granted an extension of time of 120 days from the date of this letter to elect to treat Sub as a QSub, effective Date 3. The election should be made by filing a properly executed Form 8869 for Sub with the appropriate service center, and a copy of this letter should be attached to the election.

Except for the specific ruling above, we express or imply no opinion concerning the federal tax consequences of the facts of this case under any other provision of the Code. Specifically, we express or imply no opinion concerning whether X is a valid S corporation, or whether Sub is eligible to be a QSub.

The ruling contained in this letter is based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the requested ruling, it is subject to verification on examination.

This ruling is directed only to the taxpayer that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with a power of attorney on file with this office, we are sending a copy of this letter to X's authorized representatives.

Sincerely,

Associate Chief Counsel  
(Passthroughs, Trusts, & Estates)

By: \_\_\_\_\_ /s/

Robert D. Alinsky  
Branch Chief, Branch 3  
Office of the Associate Chief Counsel  
(Passthroughs, Trusts, & Estates)

PLR-101587-25

4

Enclosure:

Copy of this letter for § 6110 purposes

cc: